

Message Text

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ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 AGRE-00 SSO-00 NSCE-00

USIE-00 INRE-00 L-03 FRB-03 OMB-01 ITC-01 SP-02

AID-05 CIAE-00 COME-00 INR-07 IO-13 LAB-04

NSAE-00 OIC-02 EPG-02 SIL-01 STR-04 TRSE-00

CEA-01 SS-15 AF-10 ARA-10 EA-07 NEA-10 NSC-05

PRS-01 PA-01 /129 W

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O 261518Z JUL 77

FM AMEMBASSY LONDON

TO SECSTATE WASHDC IMMEDIATE 6483

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FOR SECRETARY BERGLAND, AMBASSADOR STRAUSS, UNDER
SECRETARY COOPER FROM KATZ

E.O. 11652: N/A

TAGS: ETRD, EAGR

SUBJECT: PROSPECTS FOR INTERNATIONAL SUGAR AGREEMENT

1. IT IS THE GENERAL ASSESSMENT OF DELEGATES HERE
THAT PROSPECTS FOR NEW ISA HAVE BRIGHTENED AS A RESULT
OF CONSULTATIONS OVER PAST WEEK. COLLAPSE OF PRICES
FOLLOWING END OF CONFERENCE IN MAY SEEMS TO HAVE RE-
SULTED IN STRONG DESIRE FOR AGREEMENT BY MOST
DELEGATIONS. OUR PROPOSAL FOR FINANCING OF RESERVE
STOCKS HAS ELICITED WIDE SUPPORT AND MAY HAVE BROKEN
IMPASSE OVER ISSUE OF STOCKS. WHILE NO ATTEMPT YET
MADE TO AGREE ON SIZE OF RESERVE, THERE IS MUCH GREATER
FLEXIBILITY BEING SHOWN AND GAP IN CONCEPTS SEEMS TO
HAVE BEEN CONSIDERABLY NARROWED. GOOD WORK HAS BEEN
DONE ON DEFINING AND ESTIMATING COSTS THAT WOULD BE
COVERED BY FINANCING SCHEMES AS WELL AS TO ELABORATE
HOW STABILIZATION FUND WOULD OPERATE. SIMILARLY,
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PROGRESS HAS BEEN MADE ON ROLE OF EXPORT QUOTAS.

2. ATTITUDES OF DELEGATIONS ARE ON THE WHOLE EN-
COURAGING. WELCOME SURPRISE HAS BEEN FLEXIBILITY OF
CUBA (WHICH HAS EXPLICITLY ANNOUNCED CHANGES IN
POSITIONS ON STOCKS AND QUOTAS) AND CONSTRUCTIVE CON-
TRIBUTIONS BY DOMINICAN REPUBLIC, CANADA AND MAURITIUS.

ON OTHER SIDE HAS BEEN PUZZLING ROLE PLAYED BY BRAZIL. WHETHER THIS IS DUE TO INEXPERIENCE ITS PRINCIPAL REPRESENTATIVE OR TACTICS DESIGNED TO PUT OTHER EXPORTERS IN DEMANDEUR POSITION, IMPRESSION LEFT BY BRAZIL IS ONE OF LESSENED INTEREST IN AGREEMENT. EC DELEGATION HAS ADHERED TO WELL-KNOWN POSITION BUT THEIR INTERVENTIONS HAVE NOT BEEN UNHELPFUL. THEY INDICATE THAT EFFORT WILL BE MADE TO CHANGE MANDATE BUT THIS CANNOT OCCUR PRIOR TO SEPTEMBER COUNCIL MEETING. JAPANESE DELEGATES HAMPERED BY RIGID AND IRRELEVANT INSTRUCTIONS BUT THEY HAVE SKILFULLY MANOEUVRED TO AVOID INTERFERENCE WITH ATTEMPT TO RESOLVE ISSUES. ON THE WHOLE THEN THERE IS GOOD ATMOSPHERE WHICH IS BUILDING CONFIDENCE THAT AGREEMENT CAN BE REACHED.

3. REMAINDER OF WEEK IS EXPECTED TO BE DEVOTED TO ELABORATING STOCK MECHANISM, STABILIZATION FUND, QUOTA AND PRICE MECHANISM AND HANDLING OF SPECIAL (PREFERENTIAL) ARRANGEMENTS. UNLESS SOME UNANTICIPATED SNAGS DEVELOP, WE ANTICIPATE THAT BY WEEK'S END CHAIRMAN JONES-PARRY WILL ANNOUNCE THAT CONSULTATIONS HAVE RESULTED IN CONSENSUS ON CONCEPTS SUFFICIENT TO WARRANT RECONVENING NEGOTIATING CONFERENCE ON SEPTEMBER 12. HE WILL THEN HAVE SMALL DRAFTING GROUP NEXT WEEK PREPARE DRAFT ARTICLES FOR CIRCULATION PRIOR TO SEPTEMBER 12.

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4. IN SUMMARY, WHILE NUMEROUS DETAILS REMAIN TO BE AGREED, THERE IS NOW GOOD PROSPECT THAT AGREEMENT ON NEW ISA CAN BE REACHED AT RESUMED NEGOTIATING CONFERENCE IN SEPTEMBER.

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Copy: SINGLE
Sent Date: 26-Jul-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
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Disposition History: n/a
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